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Chile

Tomatoes and Products

Annual

2002

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Report Highlights:
Chile's tomato paste production is expected to rebound following a stronger demand in its export markets. Although exports of fresh tomato are expected to fall, production is forecasted to stay at similar level then last years.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Santiago [CI1], CI

Executive Summary

Chile’s tomato paste production is expected to rebound again in MY2002, as the industry expects export demand to increase following a reported decline in tomato production in Europe and Brazil. Although the industry expects to increase production of tomatoes by contracting for more planting, total output of tomatoes for processing might not increase as expected due to unusually bad weather during the spring season which could reduced yields and offset the quality of the tomatoes for processing. Fresh tomato production is expected to stay at levels similar to previous years, although exports most likely will fall due to reduced demand from Argentina, Chile’s most important export market, which is going through economic problems.

Production General

Fresh Tomatoes

For Fresh Consumption

As a result of generally good weather conditions during the MY2001 (Jan-Dec 2002) planting season, planted area increased slightly again. Planted areas in green-houses with drip-irrigation systems, has been increasing over the last few years. Tomatoes planted in open fields, which are close to 80 percent of total planted area, can be affected by adverse climatic conditions and are responsible for the yearly variation in production. For MY2002, fresh tomato planted area and production is expected to be similar to the previous year.

For Processing

Both planted area and production of tomatoes for processing were down in MY2001 (Jan-Dec 2002) compared to the previous year, but larger than estimated. For MY2002, planted area is forecast to grow, as the industry has increased planting contracts in response to expected stronger export demand for tomato paste. But production is forecast to expand less, as bad weather during the spring season is expected to have affected production quantity and quality.

Chile has an excellent climate for growing tomatoes. Tomatoes for processing are planted from mid-September through early December of each year and harvested from around January 10 through April 15. During the planting season, frosts are an important limiting factor in many growing areas. A dry summer, with significant temperature changes between day and night during the growing season, allows growers to produce an excellent tomato with a deep red color.

The industry produces mainly tomato paste. Over 95 percent of tomatoes harvested for processing are destined for paste production. The tomato products industry mainly targets the export market. In canned tomatoes, Chile produces whole-peeled, diced-peeled and crushed.

Tomato Products

Canned Tomatoes

Chile produces whole peeled, crushed peeled and diced tomatoes. Currently, only one of the eight major tomato processing plants produces these products. Trade figures and PS&D tables include all three products since statistics contain no product break-out. Most canned tomatoes are produced for export. In the past, Chile's canned tomato producers took advantage of a niche in the U.S. market which is reportedly now being filled by Italy.

As export demand for Chilean canned tomatoes has been falling, a smaller production is expected in MY2001. For next season (MY2002), another reduction in output is forecasted unless the industry can develop new markets. Total output is highly dependent on quality.

Tomato Paste

Tomato paste output in MY2001 (Jan-Dec 2002) was larger than both Post's previous estimates and last year's production. For MY2002, only a slightly larger paste production is expected as the industry has increased planting contracts to anticipate a stronger export demand due to a reported decline in tomato production in Europe and Brazil, as a result of adverse weather conditions during the spring season.

The tomato paste industry is reluctant to provide accurate information as it is a very competitive industry domestically. Tomato products production figures shown in the PS&D's are estimated and may vary significantly from one year to the next. The only reliable data is that which is related to exports.

The paste industry in Chile mainly produces a 30 to 32 Brix product. Small amounts are produced with 28 to 30 Brix for the Japanese market.

Tomato Sauce

Tomato sauce production, like that for canned tomatoes, is closely related to export demand. For this coming season a fall in output is expected as industry expects foreign demand to be weak again.

Crop Area

For Fresh:

Planted area of tomatoes for fresh consumption is expected to stay unchanged in the coming years. Although export demand could fall significantly as Chile's leading export market is Argentina, which is presently going through economic problems, domestic demand for fresh consumption will probably stay strong as prices for tomatoes are falling.

Although most tomatoes are produced in the irrigated fertile central valley of Chile, tomatoes for fresh consumption are planted throughout Chile from Arica to Tierra del Fuego.

For Processing:

An improved export market, due to a decline in production in the EU and Brazil, is the main reason for the industry's increase in planting contracts in all production areas. Tomatoes for industrial purposes are planted in the central area (Regions V through VII - including the Santiago Metropolitan region).

Production Policy

In Chile there is virtually no direct government support to the agricultural sector. Most imports are subject to a general tariff of 7 percent ad valorem, which will be reduced permanently to 6 percent in January 2003. All products pay an additional 18 percent value added tax.

Consumption

Fresh Tomatoes

There are no statistics on domestic consumption in Chile. Usually, we assume no significant change in domestic consumption, although high prices due to a smaller supply, may reduce consumption some years. Figures are estimated as a residual of estimated production and export data. From that data, it appears that fresh tomato consumption has been keeping pace with the increase in output as a result of improved tomato quality and availability throughout the year.

Shelf life influences which tomato varieties are used in Chile. Improved shelf life has allowed growers to produce tomatoes in the extreme north of Chile (Arica) and transport them to major consumption areas 1,000 miles to the south e.g., Santiago, mainly during the winter season. This development has permitted a constant fresh tomato supply during the entire year, contributing to an increase in total fresh tomato consumption together with a fall in prices observed during the last two years. The most common varieties planted in Chile are Cal-ace, Marmande raf, Ac 55 vf, Early pack, Napoli and Roma.

Price Table
(Constant Nov. 2002 pesos)

Prices Table			
Country	Chile		
Commodity	Fresh Tomatoes		
Prices in	pesos	per uom	Kg.
Year	2001	2002	% Change
Jan	248.9	204.7	-17.76%
Feb	216.8	171.1	-21.08%
Mar	236.5	157.7	-33.32%
Apr	228.6	166.6	-27.12%
May	258.8	182.3	-29.56%
Jun	268.9	192.7	-28.34%
Jul	268.0	237.4	-11.42%
Aug	270.3	268.4	-0.70%
Sep	270.0	291.6	8.00%
Oct	264.5	341.2	29.00%
Nov	276.4	385.0	39.29%
Dec	253.0		-100.00%
Exchange Rate	709.5	Local currency/US $	

Processed Tomatoes

Chilean processed tomato utilization is fundamentally a residual of exports. However, industry sources point to expanded consumption of paste and sauce, in line with the spread of fast-food and pizza restaurants in Chile.

Trade

Note: The 2002 export figures given in the trade matrices correspond to January through September of that year only.

Fresh

Chile's fresh tomato exports depend on international prices and changes in demand. Since Argentina is by far Chile's largest export market, and the country is going through economic crisis, exports of fresh tomatoes are expected to fall significantly unless new markets can be developed.

Although exports to the U.S. increased significantly in 2002, the industry is not optimistic about prospects in that market due to fumigation requirements which reduce the products shelf life and the need to ship the product by air in order to compete in quality with other imports. Generally fresh Chilean tomatoes are not price competitive with Mexican tomatoes which are produced year around.

Processed

Tomato Paste:. Neighboring Latin American countries are Chile’s main export markets. Argentina, Brazil and Venezuela are by far the largest markets. Economic troubles and instability in all three countries make exports uncertain but the industry expects the demand in other products to offset this decline.

Tomato Sauce: Tomato product exports are highly concentrated with most exports destined for Argentina and other neighboring Latin American countries whose economies are more or less stagnant. Haiti is an important tomato sauce export market because a leading tomato sauce producer has signed a large and long-term supply contract.

Canned Tomatoes: Demand for Chile's canned tomatoes has fallen significantly. The industry is making a concentrated effort to expand markets in neighboring Latin American countries. Most producers believe that a free trade agreement with the United States could benefit Chile's canned tomato exports, which are currently subject to a 13.5 percent duty.

Stocks

There are no official statistics on tomato paste or canned tomato stocks.

PS&D Table - Fresh Tomatoes

PSD Table						
Country	Chile					
Commodity	Fresh Tomatoes				(HA)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Plnt For Fresh Consump	7500	7500	7650	7550	0	7500
Plnt For Processing	13000	13000	8000	10800	0	12000
TOTAL Area Planted	20500	20500	15650	18350	0	19500
Harv. For Fresh Cons.	7500	7500	7650	7550	0	7500
Harv. For Processing	13000	13000	8000	10800	0	12000
TOTAL Area Harvested	20500	20500	15650	18350	0	19500
Fresh Sale Production	276400	285000	282000	286900	0	287000
Processing Production	898000	900000	600000	975750	0	1000000
TOTAL Production	1174400	1185000	882000	1262650	0	1287000
TOTAL SUPPLY	1174400	1185000	882000	1262650	0	1287000

Export Trade Matrix - Fresh Tomatoes

(Year 2002 data are for January - September only)

Export Trade Matrix			
Country	Chile		
Commodity	Fresh Tomatoes		
Time period	Jan-Dec	Units:	M.T.
Exports for:	2001		2002
U.S.	53	U.S.	320
Others		Others	
Argentina	6377	Argentina	178
Bolivia	76	Mexico	83
Uruguay	11	Bolivia	18
U.K.	8	U.K.	9
Paraguay	4	Brit.Terr.America	1
Brit.Terr.America	1		
Total for Others	6477		289
Others not Listed	0		
Grand Total	6530		609

PS&D Table - Canned Tomatoes

PSD Table						
Country	Chile					
Commodity	Canned Tomatoes				(MT)(MT, Net Weight)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Deliv. To Processors	6450	6530	4800	4650	0	4800
Beginning Stocks	802	802	452	621	177	296
Production	5900	5900	4400	4200	0	4400
Imports	0	0	0	0	0	0
TOTAL SUPPLY	6702	6702	4852	4821	177	4696
Exports	2850	2881	1275	1325	0	1270
Domestic Consumption	3400	3200	3400	3200	0	3200
Ending Stocks	452	621	177	296	0	226
TOTAL DISTRIBUTION	6702	6702	4852	4821	0	4696

Export Trade Matrix - Canned Tomatoes
(Year 2002 data are for January - September only)

Export Trade Matrix			
Country	Chile		
Commodity	Canned Tomatoes		
Time period	Jan-Dec	Units:	M.T.
Exports for:	2001		2002
U.S.	1244	U.S.	661
Others		Others	
Honduras	499	Honduras	232
Japan	380	Costa Rica	73
Argentina	348	Venezuela	19
Nicaragua	109	Colombia	15
Brazil	104	Japan	15
Uruguay	67	Guatemala	11
Costa Rica	52		
Colombia	50		
Venezuela	19		
Guatemala	8		
Total for Others	1636		365
Others not Listed	1		
Grand Total	2881		1026

PS&D Table - Tomato Paste

PSD Table						
Country	Chile					
Commodity	Tom. Paste,28-30% TSS Basis				(MT)(MT, Net Weight)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Deliv. To Processors	879700	879700	864000	957800	0	985000
Beginning Stocks	12099	12099	2410	2410	2700	730
Production	111000	111000	102000	121000	0	122000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	123099	123099	104410	123410	2700	122730
Exports	109009	109009	90000	111000	0	110000
Domestic Consumption	11680	11680	11710	11680	0	11680
Ending Stocks	2410	2410	2700	730	0	1050
TOTAL DISTRIBUTION	123099	123099	104410	123410	0	122730

Export Trade Matrix - Tomato Paste

(Year 2002 data are for January - September only)

Export Trade Matrix			
Country	Chile		
Commodity	Tom. Paste,28-30 % TSS Basis		
Time period	Jan-Dec	Units:	M.T.
Exports for:	2001		2002
U.S.	2004	U.S.	822
Others		Others	
Argentina	28039	Argentina	15455
Venezuela	16045	Venezuela	11751
Brazil	13870	Brazil	8113
Japan	9520	Italy	7307
Honduras	6923	Honduras	6036
Mexico	5145	Mexico	5594
Colombia	4692	Japan	5188
Italy	3621	Colombia	5145
Ecuador	3040	Costa Rica	3134
Costa Rica	2718	Guatemala	2497
Total for Others	93613		70220
Others not Listed	13392		11403
Grand Total	109009		82445

PS&D Table - Tomato Sauce

PSD Table						
Country	Chile					
Commodity	Tomato Sauce				(MT)(MT, Net Weight)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Deliv. To Processors	12040	12040	10400	10400	0	10300
Beginning Stocks	463	463	183	199	203	119
Production	6800	7800	5700	6800	0	6700
Imports	0	0	0	0	0	0
TOTAL SUPPLY	7263	8263	5883	6999	203	6819
Exports	6100	7084	4700	5900	0	5500
Domestic Consumption	980	980	980	980	0	980
Ending Stocks	183	199	203	119	0	339
TOTAL DISTRIBUTION	7263	8263	5883	6999	0	6819

Export Trade Matrix - Tomato Sauce
(Year 2002 data are for January - September only)

Export Trade Matrix			
Country	Chile		
Commodity	Tomato Sauce		
Time period	Jan-Dec	Units:	M.T.
Exports for:	2001		2002
U.S.	65	U.S.	74
Others		Others	
Argentina	2948	Argentina	2393
Haiti	1707	Colombia	227
Peru	626	Haiti	440
Guatemala	406	Guatemala	314
Colombia	389	Peru	651
Venezuela	304	Uruguay	71
Uruguay	122	Venezuela	75
Bolivia	75	Ecuador	43
Paraguay	71	Brazil	56
Dom.Republic	56	Paraguay	38
Total for Others	6704		4308
Others not Listed	315		177
Grand Total	7084		4559